

STATE OF MICHIGAN SERVICE-DISABLED VETERAN-OWNED BUSINESS (SVBOD) PRICING PREFERENCE Frequently Asked Questions

What is the pricing preference?

Qualified Service-Disabled Veteran-Owned Businesses (SVBODs) receive up to a 10 percent pricing preference.

Is the State of Michigan's SDVOB preference a set aside, like the federal government's program, or is it different?

It is different. The State of Michigan has a pricing preference for SDVOBs, not a set aside. Therefore, all types of businesses will submit bid proposals, along with the SDVOBs.

Do state and federal SDVOB laws apply to local units of government and public entities here in Michigan?

No. Michigan's local units of government and public entities (K-12 schools, public universities, transit authorities, etc.) are governed by different purchasing statutes. For these entities, preferences may be set as a matter of policy or by local ordinances

How do I request the pricing preference? Do I need to be pre-certified as an SDVOB by the State of Michigan?

The state does not pre-certify businesses as SDVOBs and does not use the federal CVE database. To request the SDVOB pricing preference for a State of Michigan bid, make sure to indicate that your company is an SDVOB in your bid response and provide required supporting documentation.

What documentation is an SDVOB required to supply with their bid to request the preference?

- Proof of service and conditions of discharge: DD214 or equivalent
- Proof of service-connected disability: DD214 if the disability was documented at discharge or Veterans Administration (VA) Rating Decision Letter or equivalent if the disability was documented after discharge
- Proof of Ownership: Appropriate legal documents setting forth the ownership of the business entity

Alternatively, the state will accept a National Veterans Business Development Council (NVBDC) certification as verification of eligibility, provided certain conditions are met.

How is the pricing preference applied?

Explanation and an example of how the SDVOB pricing preference is applied can be found at http://www.michigan.gov/documents/dmb/QDV_Announcement_318160_7.pdf.

What else do I need to know about the State's SDVOB pricing preference?

It is important to note that beyond simple Request for Quotes (RFQs), the state's more complex Request for Proposals (RFPs) may have a "two-step" process. Step one is scoring the written portion of a bid response, such as how the work will be done, prior experience, etc. Bidders that receive a passing score on their written proposal proceed to step two, which is evaluating bidder pricing. For these two-step bids, SDVOBs must write a bid response that receives a passing score in order to reach step two, where the SDVOB price preference is applied.

Does the pricing preference apply to Michigan Department of Transportation (MDOT) highway and bridge construction bids as well?

If an MDOT construction project is primarily federally funded, MDOT is required to follow federal bid preferences and guidelines, instead of the state's, so the SDVOB pricing preference of up to 10 percent may not apply. However, there may be other federal preferences applicable to your company.

The Michigan Department of Transportation (MDOT) bids out highway and bridge construction, including project management, rest areas, and roadside scale houses. To view MDOT bids or MDOT's DBE program information, go to www.michigan.gov/mdot and click on "Doing Business." Some MDOT bids may require that the vendor be pre-qualified.

What training is available for SDVOBs?

Training materials that provide an overview of how to do business with the State of Michigan are available at www.michigan.gov/micontractconnect. SDVOBs are also encouraged to contact us directly so that we may work one-on-one to answer individual questions.

What if I submitted a bid and have questions about why my company was not recommended for a contract award?

SDVOBs are encouraged to contact the buyer and request a debriefing. Debriefings are a valuable tool and can assist the SDVOB in crafting future bid proposals.

In a debriefing, the buyer reviews the SDVOB's bid proposal and pricing, discusses why the company was not the recommended vendor, notes the written proposal's strengths and weaknesses, and identifies areas of improvement for the next bid. Debriefings may take place in person or via phone call with the assigned buyer, whichever is more convenient.

If it was a recent bid, request the buyer email the bid evaluation synopsis when scheduling the appointment so that you may review the comments about your company's bid proposal prior to the debriefing meeting. If the bid was months or years ago, you can request the bid evaluation synopsis through the Freedom of Information Act (FOIA).

Who should I contact with SDVOB-related questions?

- General questions: Genevieve Hayes, email hayesg2@michigan.gov, phone 517-284-7014
- Design and construction bids and contracts: Patrick Mullen, email: mullenp1@michigan.gov, phone 517-284-7910
- MDOT highway and bridge bids and contracts: Demetrius Parker, e-mail cousinr@michigan.gov, phone: 517-373-4680

